2

Value creation story

Leveraging engineering capabilities cultivated for seven decades, our Group has provided solutions to social issues while enhancing our business value.
We pursue sustainable growth by delivering value to society through a value creation process based on our diverse business assets and strengths.

Providing wide-ranging value to society using engineering capabilities cultivated for seven decades

Social issues

- Increasing natural disasters caused by global warming
- Aging public infrastructure
- Shrinking working population due to falling birthrate and aging society

Changes in industry and society

- Rapid technological innovations, emergence of generative AI
- Change from goods to experiential services
- Changes in social awareness, diversifying values

Materiality — Key issues

Value creation

Solving social issues through "engineering that connects"

- Building and maintaining infrastructure that serves as the foundation of society
- Contributing toward local communities and building good relationships
- Advancing digital transformation in construction
- Achieving a carbon neutral society
- Contributing to circular economies

Foundation of value creation

Creating workplace environments in which diverse human resources can thrive

- Developing and promoting human resources who drive value creation
- Safety and health for all working people
- Respecting diversity and creating conducive work environments
- Boosting productivity by advancing DX

Fostering a company culture that generates innovation

- Encouraging challenges into the unknown and diligent technical self-improvement
- Establishing brand value as a Group
- Opening up new possibilities as a global player
- Alliances and collaboration with diverse partners

Fair, highly transparent governance

- Ensuring soundness and transparency in governance
- Ensuring sound risk management and compliance
- Bolstering information security for both physical items and people
- Respecting human rights

➡ **pp. 27–32 Materiality**

Inputs — Capital and strengths

Financial capital

- Robust financial strength
- High equity ratio

Intellectual capital / Manufacturing capital

- Integrated services from planning and design to construction, operations, and maintenance
- Providing services at the same level across Japan
- Electrical and civil engineering technologies cultivated through telecommunications construction

Human capital

- Human resources deployed throughout Japan
- Hybrid skill set of electrical, telecom, and ICT expertise
- Corporate culture valuing diversity

Natural capital

- Business infrastructure for renewable energy and recycling waste
- Integrated construction, operations, and maintenance services to facilitate commercialization of environmental value

Social and relational capital

- Group companies that own robust sales infrastructure across Japan
- Relationships with a diverse range of reliable partners

➡ **pp. 25–26 Value creation capital and strengths**

Outputs — Businesses, products, and services

Telecom Carriers business

- Optical fiber cabling
- Network facilities construction
- Telecommunications civil engineering
- Mobile base station installation and maintenance
- Telecommunications and electricity facility projects

Urban Infrastructure business

- Electrical and air conditioning equipment projects
- Social infrastructure construction
- Facilities related to renewable energy and smart energy
- Urban civil engineering (pole-free, pipe jacking, etc.)
- Waste treatment plant construction and maintenance

System Solutions business

- Software development on consignment
- DX support solutions
- IT infrastructure architecture (servers, wireless LAN, etc.)
- Managed services (system operations and maintenance, security monitoring, etc.)
- Global business (telecommunications, urban infrastructure, various solutions)

➡ **pp. 15–16 Our businesses**

Outcomes — Value provided

Enabling an advanced ICT society

- Continued upgrading of broadband telecommunications
- Building infrastructure resilient to natural disasters
- Increasing the population coverage of communications areas
- Developing next-generation infrastructure in underpopulated areas

Enabling a convenient urban lifestyle

- Landscapes of globally comparable standards by undergrounding overhead power lines
- Expanding public investments for building national resilience
- Renewal of aging waste disposal plants
- Advancing use of renewable and smart energy sources
- Promoting "barrier-free" access for people with disabilities

Realizing a prosperous society through digital technologies

- Reforming industrial structures through the cloud, IoT, big data, etc.
- Promoting extensive communication
- Solutions for advanced security
- Providing environments to induce work style reforms and productivity improvement
- Providing ICT environments for high-quality education

Increasing our business value while helping to achieve the SDGs

- Organizational culture prioritizing safety and quality
- Addressing climate change through environmental management
- Corporate culture in which diverse human resources thrive
- Creating synergies through Group-wide collaboration
- Strengthening our business infrastructure through DX

Management guidelines | **Medium-Term Management Plan (FY2021–2025)**

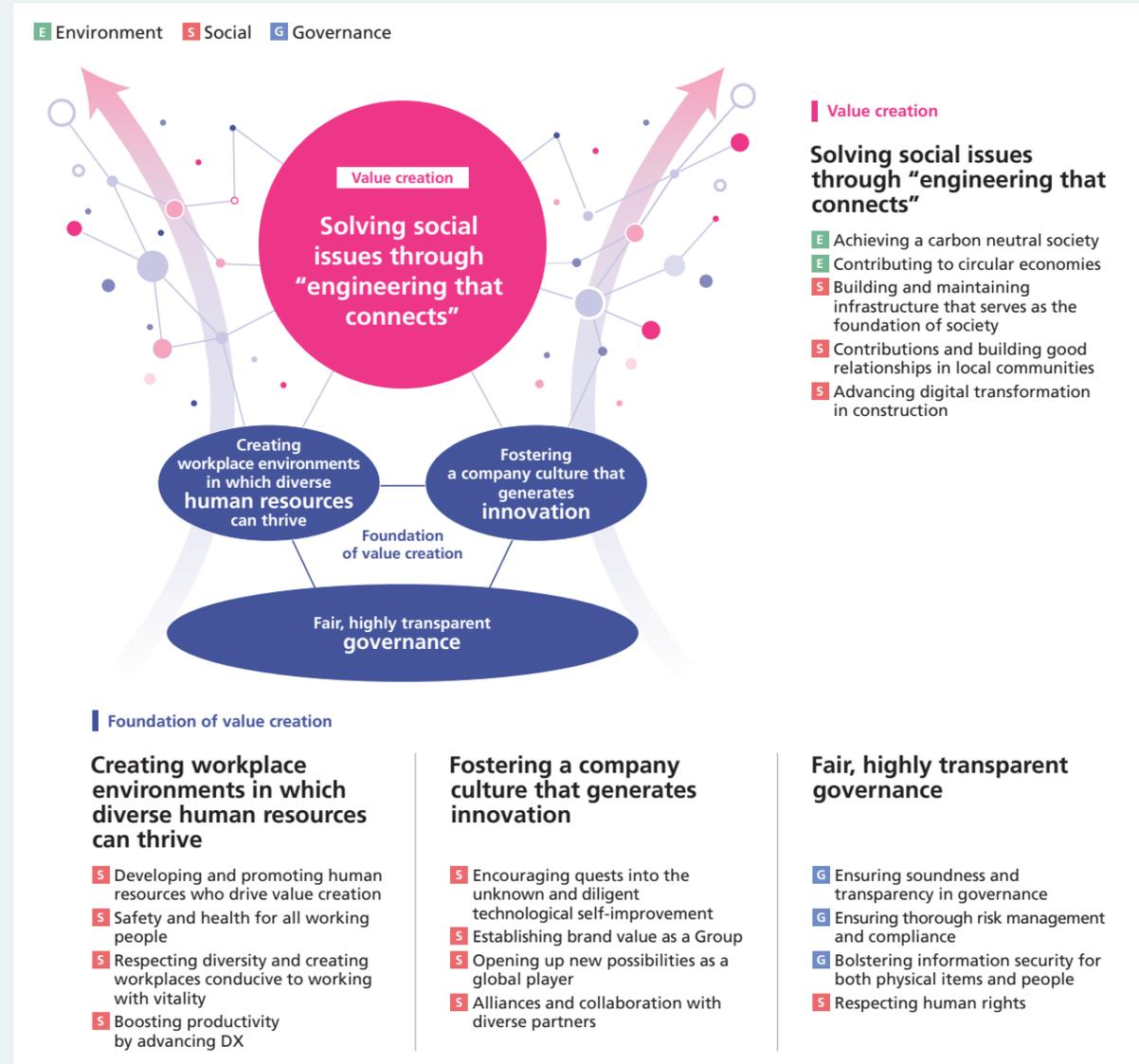# Bolstering our non-financial capital, the source of our value creation

	Financial capital	Intellectual capital / Manufacturing capital	Human capital	Natural capital	Social and relational capital
Strengths and characteristics	• Formidable financial strength • High equity ratio	• Integrated services from planning and design to construction, operations, and maintenance • Providing the same level of service across Japan • Electrical and civil engineering technologies cultivated through telecommunications construction	• Human resources deployed throughout Japan • Hybrid skill set of electrical, telecom, and ICT expertise • Corporate culture valuing diversity	• Business infrastructure for renewable energy and recycling waste • Integrated construction, operations, and maintenance services to facilitate commercialization of environmental value	• Group companies that own robust sales infrastructure across Japan • Relationships with a diverse range of reliable partners
Issues	• Improving capital efficiency for growth investments • Improving ROE and operating margins	• Improving productivity and ensuring safety and quality • Maintaining capabilities to address aging facilities and disaster management	• Securing and training human resources capable of adapting to rapid technological innovations and market changes • Multi-skilling and reskilling • Shifting human resources to growth fields	• Accelerating investment and business development to achieve carbon neutrality in 2050 • Establishing revenue models and managing risks in environment-related business	• Maintaining and enhancing disaster management capabilities • Extensive co-creation with communities and social contributions • Ensuring transparency and fairness in supply chains
Initiatives to strengthen capital	• Active investments for future growth, including M&A, human resources, and R&D • Maintaining stable, continuous dividends with dividend on equity ratio (DOE) of 4.0% as benchmark • Dynamic share buyback	• Improving business processes through digital transformation • Improving safety and quality control through utilization of network cameras and AI • Improving construction efficiency through construction DX • Promoting knowledge sharing, standardization, and joint development within the Group and with external parties	• Employee learning/development and assignments according to personal capabilities and career path (Job Challenge System, Overseas Trainee System, Transformation Leader Development Program, etc.) • Building a Group-wide personnel database • Human resources development based on our shared Group-wide Career Development Program (CDP)	• Implementing renewable energy and saving energy at company-owned locations • Pursuing biomass, solar, wind power and other renewable energy businesses • Recycling and resource circulation of aluminum, solar panels, and other waste • Reducing environmental impact in construction and procurement (green procurement and eco-friendly construction methods)	• Enabling disaster relief operations and establishing personnel mobility • Community contribution activities • Co-creating with partners and promoting business alliances • Implementing thorough procurement guidelines • Engaging dialogues with stakeholders
Relevant materiality issues	• Digital transformation in construction • Improving productivity through digital transformation	• Digital transformation in construction • Improving productivity through digital transformation • Encouraging quests into the unknown and diligent technological self-improvement	• Developing and promoting human resources who drive value creation • Safety and health for all working people • Respecting diversity and creating conducive work environments a vibrant workplace	• Achieving a carbon neutral society • Contributing to circular economies	• Contributing toward local communities and building good relationships • Establishing brand value as a Group • Alliances and collaboration with diverse partners
Relevant KPIs	• ROE • Equity ratio • DOE • Payout ratio	• Number of technical proposals • Ratio of sales generated by new businesses	• Ratio of women in managerial positions • Percentage of male employees taking childcare leave • Percentage of annual paid leave taken	• Scope 1 and 2 emissions • Ratio of green procurement • Net sales of environment-related business (renewable energy and recycling)	• Number of community contribution activities • Number of personnel mobilized for disasters • Satisfaction level index for partner companies
Relevant pages	➡ **pp. 39–44 Message from the CFO**	➡ **pp. 51–52 R&D strategy**	➡ **pp. 47–50 Human resources strategy**	➡ **pp. 53–56 Environmental management**	➡ **pp. 45–46 Group management strategy**

Putting the materiality into practice as our Group guidelines for achieving a sustainable society

Our Group's materiality is broadly composed of four material topics, which are further divided into 17 material subtopics. We will find solutions to various social issues while plotting out the continuous growth of the Group by having each and every employee act with our materiality in mind in all of our business activities. As society changes, we will flexibly accommodate those changes by making periodical revisions to our formulated materiality.

Our materiality

E Environment **S** Social **G** Governance

Value creation

Solving social issues through "engineering that connects"

- **E** Achieving a carbon neutral society
- **E** Contributing to circular economies
- **S** Building and maintaining infrastructure that serves as the foundation of society
- **S** Contributions and building good relationships in local communities
- **S** Advancing digital transformation in construction

Foundation of value creation

Creating workplace environments in which diverse human resources can thrive

- **S** Developing and promoting human resources who drive value creation
- **S** Safety and health for all working people
- **S** Respecting diversity and creating workplaces conducive to working with vitality
- **S** Boosting productivity by advancing DX

Fostering a company culture that generates innovation

- **S** Encouraging quests into the unknown and diligent technological self-improvement
- **S** Establishing brand value as a Group
- **S** Opening up new possibilities as a global player
- **S** Alliances and collaboration with diverse partners

Fair, highly transparent governance

- **G** Ensuring soundness and transparency in governance
- **G** Ensuring thorough risk management and compliance
- **G** Bolstering information security for both physical items and people
- **S** Respecting human rights

The process to determine our materiality

To determine our materiality, we first referred to international standards such as the GRI Standards and identified social issues. After that, we involved Group employees in scoring and workshops to rate the importance of issues along the two axes of importance to stakeholders, and importance to our company.

Based on the proposals created through these efforts, we consulted with outside experts, outside directors, and outside statutory auditors, and then reflected their opinions in preparing the final proposal. After considerations in the Management Council and Board of Directors, it was approved and published in May 2023.

The process

STEP 1 — Identify social issues
Identified 52 issues after referencing the GRI Standards, SASB Standards, etc.

STEP 2 — Prioritize the issues
Prioritized the issues through scoring by Group employees and holding workshops, then selecting the proposals

STEP 3 — Dialogues with internal and external stakeholders
Exchanged opinions with outside experts, consulted with outside directors and statutory auditors, and prepared the final proposal

STEP 4 — Decision by management
Official decision made by the Management Council and Board of Directors

Materiality matrix (according to the results of "Scoring by Group employees" in Step 2)

E Environment **S** Social **G** Governance
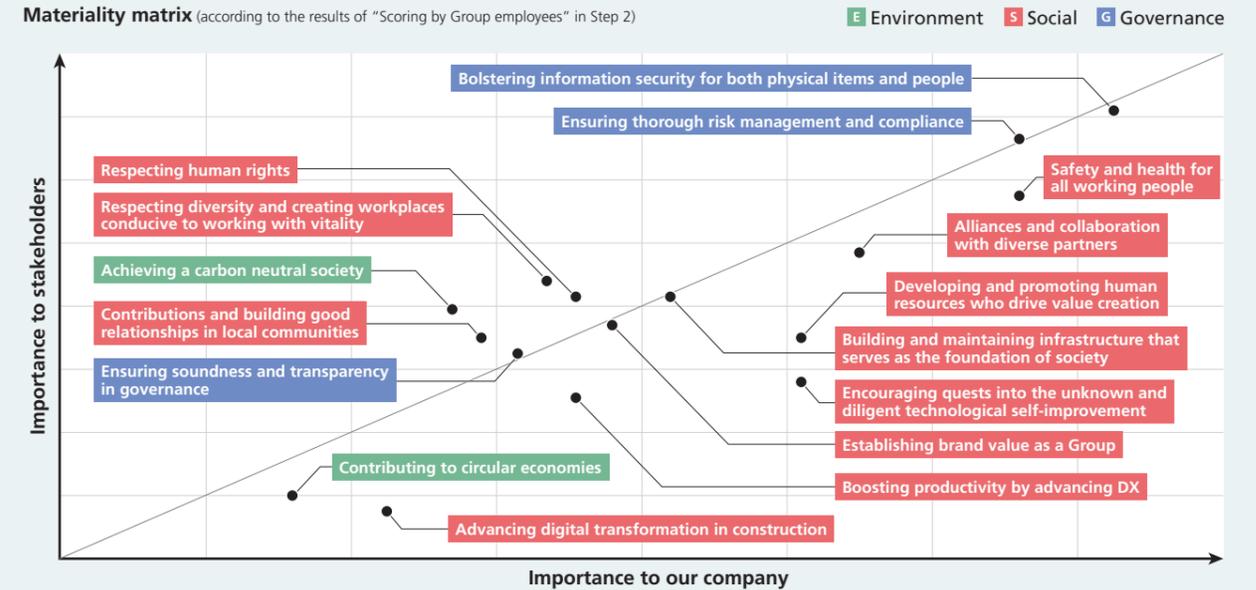
Note: "Opening up new possibilities as a global player" was added in Step 3, and is therefore not included in this chart.

Message from an outside director

Naoko Iwasaki
Director

Materiality refers to the key issues impacting society and the environment which a company particularly prioritizes in its efforts to address such issues. Our Group has defined the topics to address according to the times, while adapting flexibly to changes in society and the environment. Our materiality includes human resources development and creating workplaces conducive to harnessing skills, which I believe will help drive innovation and competitiveness. Since Japan will be grappling with more severe labor shortages in the future due to its falling population and aging society, it is essential that we utilize DX and advanced technologies in our business processes and operations. Simultaneously, we must enhance speed and precision. One particularly noteworthy material issue is digital transformation (DX) in construction, which has potential to improve quality, enhance safety, and reduce costs by standardizing and automating existing business processes.

To stay competitive over the medium to long term, we must learn and utilize new technologies. We can achieve continuous growth and deliver added value to society by encouraging forward-thinking challenges and promoting education in technology. Evaluating according to the appropriate KPIs, we then utilize these efforts for subsequent actions. Our aim is for each employee to empathize with our materiality and use it to balance the advancement of the company with contributions to society. Outside directors also want to be involved in these efforts.

Action plans and KPIs based on our materiality

Materiality			Action plan	KPIs (consolidated if not noted otherwise)	Target (FY of goal)	FY2024 actual	Relevant pages
Value creation	Solving social issues through "engineering that connects"	E Achieving a carbon neutral society	●Reduce CO₂ emissions ●Advance smart energy business (self-owned power lines for wind power generation, storage batteries, EV chargers, etc.)	(1) Rate of CO₂ emissions reduction (Scope 1 + 2) (vs. FY2020) (2) Renewable electric power usage rate (Company-managed domestic sites)	(1) -43.9% (FY2030) (2) 100% (FY2025)	(1) -22.4% (2) 94.5%	➡ pp. 53–56 Environmental management
		E Contributing to circular economies	●Continue initiatives to reduce industrial waste, save energy and save resources ●Advance resource recycling-oriented business (refurbishments business, woody biomass power generation)	(1) Final disposal rate of industrial waste (non-consolidated) (2) Reduction of pieces of paper used (non-consolidated)	(1) -50% vs. FY2020 (FY2025) (2) -50% vs. FY2023 (FY2024)	(1) 3.3% (2) -23% (year-on-year)	
		S Building and maintaining infrastructure that serves as the foundation of society	●Work with advancements in telecommunications infrastructure (5G, 6G, IOWN, OREX) ●Build and update social infrastructure (expressways, water supply and sewage, putting power lines underground, etc.) ●National resilience, disaster recovery support	Holders of technical qualifications at S Ranks (elite ranks) and above (internal standards)	Encourage acquisition of high-rank qualifications	11,915 (cumulative)	➡ pp. 59–60 Telecom Carriers business ➡ pp. 61–62 Urban Infrastructure business ➡ pp. 63–66 System Solutions business
		S Contributing toward local communities and building good relationships	●Engage in community contribution activities and sponsor community events ●Enter into partnerships with communities through business	Number of social and community contribution activities	Continue social and community contribution activities	126	➡ pp. 53–56 Environmental management
		S Advancing digital transformation in construction	●Use BIM/CIM to transform construction workflows ●Use AI/Webcams to improve safety and work efficiency at construction sites	Number of severe accidents (bodily injury or equipment-related)	Aim for zero	5	➡ pp. 47–50 Human resources strategy ➡ pp. 51–52 R&D strategy
Foundation of value creation	Creating workplace environments in which diverse human resources can thrive	S Developing and promoting human resources who drive value creation	●Develop next-generation leaders who drive transformation ●Implement various human resource development programs ●Develop careers based on dialogues with employees as prerequisite	Number of employees who undergo the Transformation Leader Development Program	Cumulative total 1,040 (FY2025)	317 (cumulative 907)	➡ pp. 47–50 Human resources strategy
		S Safety and health for all working people	●Implement safety initiatives (AI/network cameras, surveillance centers, etc.) ●Develop safety professionals and improve safety training ●Implement health and productivity management (reducing overtime, taking paid leave, various health examinations, health guidance)	(1) Percentage of annual paid leave taken (non-consolidated) (2) Percentage undergoing stress checks (non-consolidated and five major subsidiaries*)	(1) 80% (FY2025) (2) 100% (FY2024)	(1) 78.5% (2) 98.8%	
		S Respecting diversity and creating conducive work environments	●Promote diversity, equity, and inclusion (DE&I). ●Use DX to reform work styles ●Raise employee engagement	(1) Number of women in management positions (non-consolidated) (2) Percentage of male employees taking childcare leave(non-consolidated)	(1) 1.5 x FY2020 (FY2025) (2) 20% (FY2025)	(1) 41 (2) 35.3%	
		S Boosting productivity by advancing DX	●Utilize RPA, AI, tablets and offshore ●Build shared IT infrastructure for the Group ●Develop DX implementation personnel	Amount of IT and R&D (investments and expenditures)	Generally at least 1% of annual sales	1.18%	➡ pp. 51–52 R&D strategy
	Fostering a company culture that generates innovation	S Encouraging challenges into the unknown and diligent technical self-improvement	●Develop innovative personnel, foster a culture of innovation ●Generate business and make proposals related to technological development ●Partner with universities and research institutions	(1) Create new business through business contests (2) Develop technologies through ESP and VE proposal activities	(1) Number of entries (2) Number of proposals	(1) 32 (2) 4,004	➡ pp. 51–52 R&D strategy
		S Establishing brand value as a Group	●Company promotions via commercials, etc. ●Sponsor cultural events, sports teams, etc. ●More tie-up activities with universities, etc.	Engagement fostered (employee satisfaction improvement)	80% or more (FY2024)	79%	➡ pp. 45–46 Group management strategy
		S Opening up new possibilities as a global player	●Further expand global business ●Hire overseas personnel ●Bolster development of global human resources	(1) Proportion of net sales from global business (2) Number of overseas trainees sent	(1) At least 10% of net sales (FY2025) (2) Cumulative total 17 (FY2024)	(1) 7.2% (2) Cumulative total 15	➡ pp. 65–66 Global business structural reform
		S Alliances and collaboration with diverse partners	●Formulate and instill our Basic Procurement Policy ●Promote stronger communication with partner companies	Measures implemented for communicating with partners	Number of partner surveys conducted	344	➡ pp. 67–90 Corporate governance
	Fair, highly transparent governance	G Ensuring soundness and transparency in governance	●Achieving transparent management (ensure diversity and effectiveness of Board of Directors and Board of Statutory Auditors) ●More dialogues with stakeholders ●Produce various types of information disclosures	(1) Number and percentage of outside directors (2) Number and percentage of outside statutory auditors	(1) 1/3 or more (FY2025) (2) More than half (FY2025)	(1) 5 out of 13 outside directors (2) 3 out of 5 outside statutory auditors	➡ pp. 67–90 Corporate governance
		G Ensuring sound risk management and compliance	●Strengthen risk analysis using heat map, etc. ●Training and learning/development for compliance ●Conduct training for various types of risks	(1) Serious violations of laws and regulations (2) Rate of risk assessment implementation for cases involving significant business risks	(1) Aim for zero (2) 100% (FY2025)	(1) Zero (2) 100%	
		G Bolstering information security for both physical items and people	●Bolster Group monitoring through EXEO-SIRT ●Conduct information security training, learning/development and drills/exercises ●Thoroughly implement recurrence prevention measures when accidents occur	(1) Number of serious information security incidents (2) Rate of conducting security training	(1) Aim for zero (2) 100% (FY2025)	(1) Zero (2) 100%	
		S Respecting human rights	●Establish the Exeo Group Human Rights Policy ●Conduct ongoing human rights awareness training ●Build an organizational structure for Human rights due diligence and conduct training	(1) Establishment of policy (2) Rate of undergoing training and e-learning	(1) Establishment of human rights policy (2) 100% (FY2024)	(1) Established January 2024 (2) 100%	

* Five major subsidiaries: C-Cube Corporation, Seibu Electric Industry Co., Ltd., Nippon Dentsu Co., Ltd., Daiwa Densetsu Corporation, and Exeo Tech Corporation

# Initiatives in the Medium-Term Management Plan

In fiscal 2025, the final year of the current Medium-Term Management Plan, we defined six topics and are working to strengthen our business foundation.

Theme		Relevant material issues	Past efforts	Relevant pages
Financial strategy	• Achieving a stable financial base • Active investment for growth • Stable and flexible shareholder returns	—	• Invested heavily in human resources, R&D, and DX • Raised the DOE of our dividend policy to 4.0% • Planned dividend increase for the 14th consecutive year, continued buybacks of treasury shares	➡ pp. 39–44 Message from the CFO
Group management	• Flexible and agile Group management • Synergies utilizing the Group's strengths • Practiced diligent business management post-M&A	S Establishing brand value as a Group S Opening up new possibilities as a global player	• Strengthen internal control functions (established Audit Division) • Instill governance across the Group • Unify systems within the Group (core/operations)	➡ pp. 45–46 Group management strategy
Human resources strategy	• Enhancing adaptability to changes to be able to achieve continuous growth • Securing competitive human resources • Developing a culture where diverse values are respected • Raised employee engagement	S Developing and promoting human resources who drive value creation S Safety and health for all working people S Respecting diversity and creating workplaces conducive to working with vitality	• Introduced and implemented the Driving Corporate Dynamism (DCD) Program • Promoted multi-skilling and reskilling of employees • Built the Group-wide Human Resources Database	➡ pp. 47–50 Human resources strategy Our website Our website •Human resource development •Fair evaluations and treatment •Work style reform •Diversity and inclusion •Work-life balance •Health and productivity management
DX implementation	• Increased productivity by improving business processes • Created value geared toward a new era • Advanced digital transformation (DX) in construction through AI, BIM/CIM, etc.	S Advancing digital transformation in construction S Boosting productivity by advancing DX	• Generated innovations through R&D promotion organizations • Continued efficiency improvements through digital implementation project teams • Established training systems to develop DX human resources	➡ pp. 35–36 Feature 2 ➡ pp. 51–52 R&D strategy
Environment and energy	• Active contribution to environment-related business • Promotion of the use of renewable energy • Reducing the Company's CO_2 emissions • Promoting energy-saving activities	E Achieving a carbon neutral society E Contributing to circular economies	• Launched operations of woody biomass power plants • Advanced our grid-scale battery storage business • Selected by CDP as an "A List" company	➡ pp. 53–56 Environmental management Our website •Climate change initiatives •Engagement with the TCFD Recommendations
Safety, quality and BCP	• Responding to changes in the business environment • Fostering an organization/culture that supports safety and quality • Addressed new business risks	G Ensuring thorough risk management and compliance G Bolstering information security for both physical items and people	• Initiated remote safety monitoring using network cameras • Introduced safety equipment and other checking functions utilizing AI • Conducted practical training for preparedness against cyberattacks	Our website •Quality control and customer safety and health •BCP •Occupational safety and health •Information security

Non-financial highlights
For information about human capital, please refer to "Human Capital Highlights" on page 50.

Number of consolidated employees
17,260

■ Number of consolidated employees

	2021	2022	2023	2024	**2025**
	14,374	15,847	16,772	17,056	**17,260**

(March of each year)
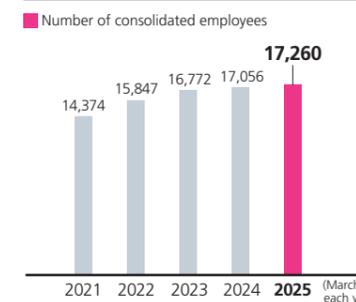
Scope of data: consolidated

Number of employees who undergo the Transformation Leader Development Program
907

■ Number of employees who undergo the Transformation Leader Development Program

	2020	2021	2022	2023	**2024**
	N/A	24	362	589	**907**

(FY)

Scope of data: Exeo Group, Inc

Holders of technical qualifications at S Ranks (elite ranks) and above (internal standards)
101

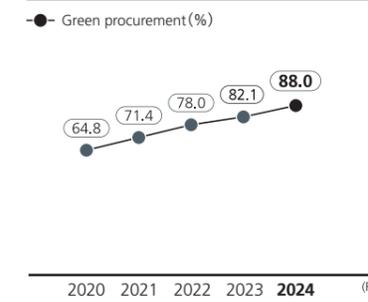■ Holders of technical qualifications at S Ranks (elite ranks) and above (internal standards)

	2020	2021	2022	2023	**2024**
	88	164	97	95	**101**

(FY)

Scope of data: Exeo Group, Inc

Green procurement
88.0%

●— Green procurement（%）

	2020	2021	2022	2023	**2024**
	64.8	71.4	78.0	82.1	**88.0**

(FY)

Scope of data: Exeo Group, Inc

CO_2 emissions (Scope 1 and 2)
66.9 thousand t-CO₂

■ CO_2 emissions (thousand t-CO_2)

	2020	2021	2022	2023	**2024**
	86.3	79.9	76.9	71.7	**66.9**

(FY)
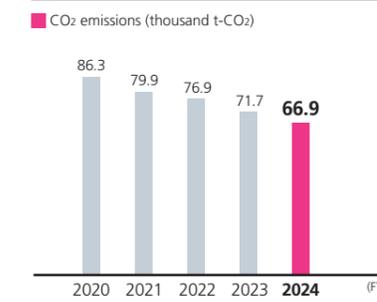
Scope of data: consolidated

Selected for the first time by CDP as an "A List" company, the highest rating in the field of climate change

In recognition of our advanced efforts to tackle climate change and highly transparent information disclosures, international non-profit organization CDP (based in London, UK) selected us as an "A List" company, their highest rating in the field of climate change in fiscal 2024.

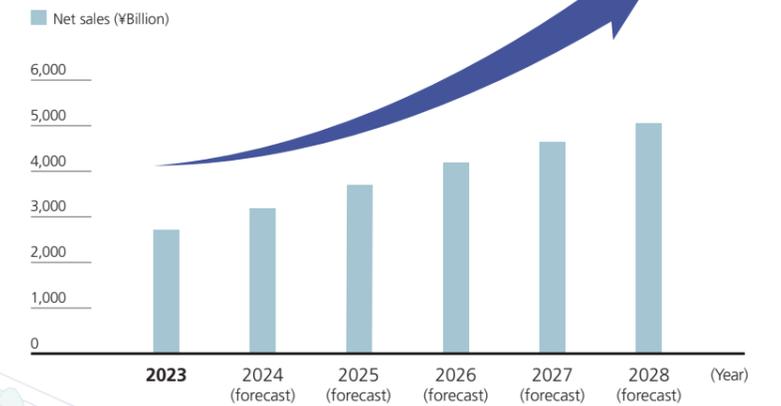CDP A List 2024

Urban Infrastructure business

Quest to expand our capabilities in the robust data centers market

Services provided through the internet such as video streaming, cashless payments, and generative AI are increasingly becoming part of our everyday lives.

Supporting these services from behind the scenes are data centers, which house servers and other related equipment.

Leveraging the knowledge and technical expertise obtained through the years, our Group plays a major role in building and operating data centers.

Size of domestic data centers market

Even after surpassing ¥2 trillion in size for the first time in fiscal 2022, the data centers market in Japan has grown continuously. The size of this market was estimated at over ¥2.7 trillion in 2023.

Maintaining a high compound annual growth rate (CAGR) of 13.2% from 2023 to 2028, the value of the market is projected to surpass the ¥5 trillion mark and reach nearly ¥5.1 trillion in 2028.

Domestic market for data center services

■ Net sales (¥Billion)

| | 2023 | 2024 (forecast) | 2025 (forecast) | 2026 (forecast) | 2027 (forecast) | 2028 (forecast) | (Year) |

Data centers: from construction to operation

Construction stage

Operation phase

Facility construction

Data centers are expected to be highly earthquake- and fire-resistant, with redundancy and high-level security to support 24/7 operations. Data center construction requires expertise and knowledge regarding seismic isolation of structures, stable and reliable power supplies, precise temperature and humidity control, durable floor structures, and serviceability.

Exeo's strengths and strategy

In a market where large general contractors hold a sizeable share, electrical facilities and high-voltage substations for the building are set up first. Electrical and air conditioning facilities for the server rooms are then installed in phases, but we have the comprehensive capability to handle these end to end, shortening construction time, increasing efficiency, and reducing costs.

Fit-Out construction

Fit-Out construction refers to interior installation and refurbishment projects after the structure of the building has been completed. Data centers require more sophisticated construction technologies than typical office buildings, including electrical facilities that can handle high workloads, air conditioning with precise control of temperature and humidity, and robust security systems.

Exeo's strengths and strategy

Fit-Out construction to install electrical equipment, air conditioning, networks, and security systems has always been one of our strengths. We create the optimal construction plan, including procurement of large equipment, and together with partner companies that have extensive track records, we tackle joint projects that satisfy needs for shortened construction time and reduced costs.

Installation of racks, servers, etc.

After the fit-out construction is completed, racks and servers are installed. Orders from this point are often placed by the data center tenant such as IT services operators, financial institutions, or systems integrators. This process requires expertise in areas such as air conditioning design, power supply redundancy, and wiring plans.

Exeo's strengths and strategy

Leveraging our wealth of experience in installation of network equipment, our Group is involved in an increasing number of cases in this field. We are also actively embracing new technologies, including high performance cooling systems such as liquid cooling, and using DCIM* to visualize electric power and facility configurations.

* DCIM: Data center infrastructure management

Reception, operation and maintenance

As services provided through networks have become more widespread, data centers have taken on increasing importance as infrastructure that supports life in society. Data centers require high levels of operational skills to handle security measures and unpredictable demand fluctuations in order to deliver safe and secure services.

Exeo's strengths and strategy

Leveraging our strengths as a construction company with capabilities to expand and update facilities and equipment according to their life cycles, we are working to grow this area of business. We strive to enhance our services, including remote integrated monitoring, automating operations, and assigning and directing on-site engineers during failure recoveries.

Feature 2

| About the Exeo Group | **Value creation story** | Value creation strategy | Governance of value creation | Data section |

System Solutions business

Establishing functions that leverage generative AI to offer cutting-edge DX services

Diverse digital technologies carry the potential to greatly change business and the way we work in the future. Among those, we are focusing on the use of generative AI that facilitates digital transformation (DX) and produces benefits in many different areas.

The establishment of our Generative AI Center has enabled us to provide services in many different areas, from consulting to systems development. The center will accelerate the utilization of generative AI throughout the Group, and spearhead the development of new businesses, products, and human resources.
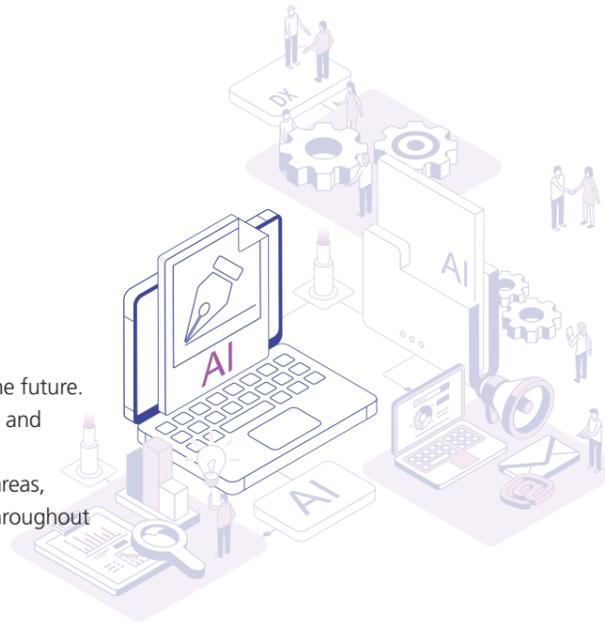
Examples of internal generative AI implementation

1. Exe-ro AI (generative AI chatbot)
Generative AI chatbot that can be used on Microsoft Teams, enabling employees to use generative AI in their daily communication. Support functions provided to pursue higher work efficiency.

2. Microsoft Copilot
Significantly improving work efficiency by implementing Copilot embedded in Microsoft 365 and using it with Microsoft's various tools. Since it can search for information across various departments within the organization, it is also helping to eliminate information gaps.

3. Generative AI usage platform (via browser)
Promoting employee usage of AI and accelerating innovation in organizations by building our own original generative AI platform that can be easily accessed in web browsers, providing versatile functions such as accumulating expertise through shared prompt functions.


Positioning and role of the Generative AI Center ("AI CoE")

#		
1	**Strategy consulting**	Strategic planning for generative AI implementation and assistance for related proposals
2	**Applications**	Application development utilizing generative AI
3	**Integration**	Platform environment development to provide optimal architecture for both on-premises and cloud
4	**Infrastructure**	Design and architecture for GPU server/network/infrastructure equipment
5	**Internal usage (systems integration, network integration, back office)**	Software development, IT infrastructure design, AIOps, and automated document creation
6	**Group company collaboration**	● Collaboration among Group companies (generative AI working operations) ● Pipeline sharing, joint proposals

Main characteristics

● Established within Exeo Digital Solutions, Inc., one of our core subsidiaries, to serve as the Center of Excellence (CoE) to drive generative AI usage throughout the Group

● Six functional blocks collaborate on product development and human resources development

● Organized to provide consulting, infrastructure platform architecture, and systems development all under one roof

## Overall scheme for generative AI efforts
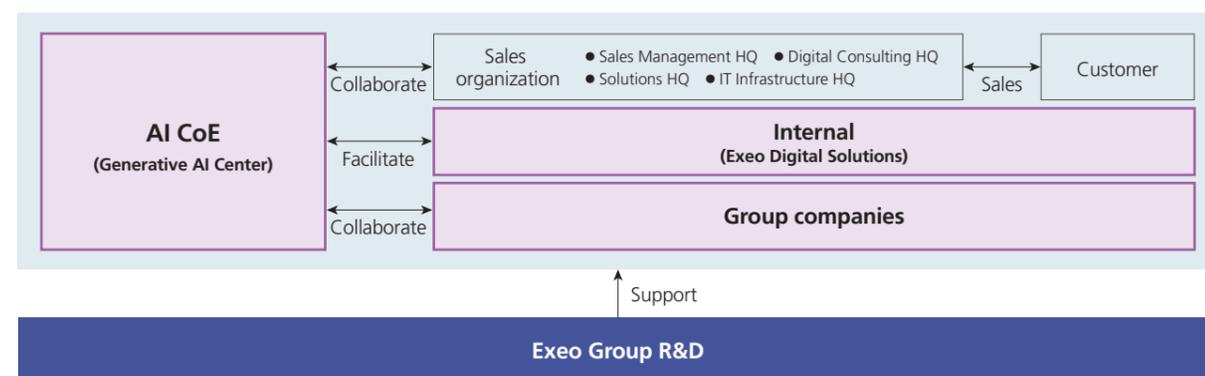
Examples of generative AI services

Exeo Digital Solutions, Inc.

Generative AI utilization platform service

Securely utilize generative AI in Azure environments. By referencing internal data assets in addition to information from the internet, "internal data search" and "web search" do not need to be performed individually, ultimately driving work efficiencies.
Provides customer support from pre-implementation considerations to post-implementation usage.
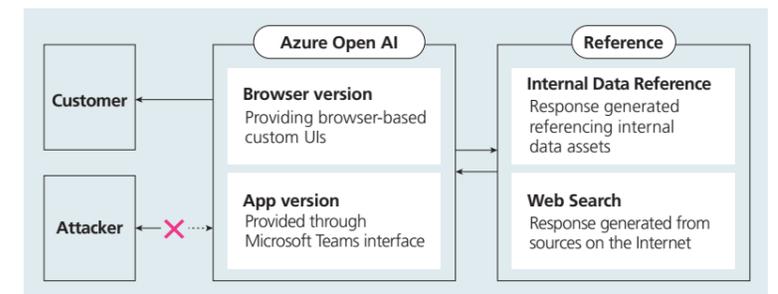
NDI Solutions Ltd.

Video analysis tool "Video Questor"

Simply by uploading a video, Video Questor deploys AI to analyze content to respond to questions and directions from the user in chat format, instantly producing summaries, FAQs, related manuals, and translations. This changes the way video data is handled, dramatically improving operational efficiency and productivity while taking information sharing and knowledge utilization to the next level.

Minutes writing support service "nMinutes"

nMinutes is a cloud service that makes the task of writing meeting minutes efficient by using generative AI (ChatGPT), with the ability to produce meeting minutes of an hour's worth of content in only five minutes. Compatible with both web conferences and face-to-face meetings, it can generate meeting minutes easily from a platform that can be accessed either by computer or smartphone.

AI chatbot "CB3"

CB3 is a general-purpose AI chatbot that can be utilized for various situations. With connectivity to other systems, it can also be used as a system interface for different types of operation systems. CB3 can not only answer questions but can also connect users to the required operation system.

Futureinn Co., Ltd.

"KeepMIRAI" generative AI service

"KeepMIRAI" generative AI service KeepMIRAI is a service that makes generative AI instantly accessible even to non-IT experts with an easy-to-use template screen that guides users to enter the necessary information. The service's simplicity will help increase the utilization of generative AI across the organization. It can be used to perform a diverse range of tasks to achieve dramatic improvements in work efficiency, from generating novel ideas to creating minutes of extended meetings.